

# SENATE BILL 796

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By: **Senator Garagiola**

Introduced and read first time: February 3, 2012

Assigned to: Finance

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## A BILL ENTITLED

1 AN ACT concerning

2 **Renewable Portfolio Standard – Solar – Small Solar On–Site Generators and**  
3 **Solar Water Heating Systems**

4 FOR the purpose of requiring that a certain percentage of the renewable energy  
5 portfolio standard for solar be from certain small solar on–site generators under  
6 certain circumstances; requiring an electricity supplier to purchase solar  
7 renewable energy credits from certain small solar on–site generators each year  
8 before purchasing solar renewable energy credits produced from other  
9 generating facilities in order to meet a certain requirement; providing that, if an  
10 electricity supplier provides certain documentation to the Public Service  
11 Commission, the electricity supplier may use solar renewable energy credits  
12 from generating facilities other than small solar on–site generators to fulfill a  
13 certain requirement; requiring an electric company to purchase certain  
14 electricity generated by a small solar on–site generator under certain  
15 circumstances; providing that a certain small solar on–site generator owns and  
16 has title to any renewable energy credit associated with electricity sold to an  
17 electric company under certain circumstances; defining a certain term; altering  
18 the definition of a certain term; and generally relating to solar energy and the  
19 renewable energy portfolio standard.

20 BY repealing and reenacting, without amendments,  
21 Article – Public Utilities  
22 Section 7–701(a)  
23 Annotated Code of Maryland  
24 (2010 Replacement Volume and 2011 Supplement)

25 BY adding to  
26 Article – Public Utilities  
27 Section 7–701(k–1)  
28 Annotated Code of Maryland  
29 (2010 Replacement Volume and 2011 Supplement)

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY repealing and reenacting, with amendments,  
2 Article – Public Utilities  
3 Section 7–701(k–1) and 7–703  
4 Annotated Code of Maryland  
5 (2010 Replacement Volume and 2011 Supplement)

6 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
7 MARYLAND, That the Laws of Maryland read as follows:

8 **Article – Public Utilities**

9 7–701.

10 (a) In this subtitle the following words have the meanings indicated.

11 **(K–1) “SMALL SOLAR ON–SITE GENERATOR” MEANS A PERSON WHO OWNS**  
12 **AND OPERATES, LEASES AND OPERATES, OR CONTRACTS WITH A THIRD PARTY**  
13 **THAT OWNS AND OPERATES FOR THE PERSON’S OR THE THIRD PARTY’S OWN**  
14 **USE A SOLAR GENERATING SYSTEM OR SOLAR WATER HEATING SYSTEM THAT**  
15 **HAS A CAPACITY NOT EXCEEDING 2 MEGAWATTS.**

16 **[(k–1)] (K–2) (1) “Solar water heating system” means a system that:**

17 (i) is comprised of glazed liquid–type flat–plate or tubular, **OR**  
18 **solar CONCENTRATOR AND PHOTOVOLTAIC OR THERMAL**, collectors [as defined  
19 and] certified to the OG–100 standard of the Solar Ratings and Certification  
20 Corporation;

21 (ii) generates energy using solar radiation for the purpose of  
22 heating water **OR HEATING WATER AND GENERATING ELECTRICITY**; and

23 (iii) **[does] MAY OR MAY** not feed electricity back to the electric  
24 grid.

25 (2) “Solar water heating system” does not include a system that  
26 generates energy using solar radiation for the sole purpose of heating a hot tub or  
27 swimming pool.

28 7–703.

29 (a) (1) (i) The Commission shall implement a renewable energy  
30 portfolio standard that, except as provided under paragraph (2) of this subsection,  
31 applies to all retail electricity sales in the State by electricity suppliers.

1                   (ii) If the standard becomes applicable to electricity sold to a  
2 customer after the start of a calendar year, the standard does not apply to electricity  
3 sold to the customer during that portion of the year before the standard became  
4 applicable.

5                   (2) A renewable energy portfolio standard may not apply to electricity  
6 sales at retail by any electricity supplier:

7                   (i) in excess of 300,000,000 kilowatt–hours of industrial process  
8 load to a single customer in a year;

9                   (ii) to residential customers in a region of the State in which  
10 electricity prices for residential customers are subject to a freeze or cap contained in a  
11 settlement agreement entered into under § 7–505 of this title until the freeze or cap  
12 has expired; or

13                   (iii) to a customer served by an electric cooperative under an  
14 electricity supplier purchase agreement that existed on October 1, 2004, until the  
15 expiration of the agreement.

16           (b) The renewable energy portfolio standard shall be as follows:

17                   (1) in 2006, 1% from Tier 1 renewable sources and 2.5% from Tier 2  
18 renewable sources;

19                   (2) in 2007, 1% from Tier 1 renewable sources and 2.5% from Tier 2  
20 renewable sources;

21                   (3) in 2008, 2.005% from Tier 1 renewable sources, including at least  
22 0.005% derived from solar energy, and 2.5% from Tier 2 renewable sources;

23                   (4) in 2009, 2.01% from Tier 1 renewable sources, including at least  
24 0.01% derived from solar energy, and 2.5% from Tier 2 renewable sources;

25                   (5) in 2010, 3.025% from Tier 1 renewable sources, including at least  
26 0.025% derived from solar energy, and 2.5% from Tier 2 renewable sources;

27                   (6) in 2011, 5.0% from Tier 1 renewable sources, including at least  
28 0.05% derived from solar energy, and 2.5% from Tier 2 renewable sources;

29                   (7) in 2012, 6.5% from Tier 1 renewable sources, including at least  
30 0.1% derived from solar energy, and 2.5% from Tier 2 renewable sources;

31                   (8) in 2013, 8.2% from Tier 1 renewable sources, including at least  
32 0.2% derived from solar energy, and 2.5% from Tier 2 renewable sources;

1 (9) in 2014, 10.3% from Tier 1 renewable sources, including at least  
2 0.3% derived from solar energy, and 2.5% from Tier 2 renewable sources;

3 (10) in 2015, 10.5% from Tier 1 renewable sources, including at least  
4 0.4% derived from solar energy, and 2.5% from Tier 2 renewable sources;

5 (11) in 2016, 12.7% from Tier 1 renewable sources, including at least  
6 0.5% derived from solar energy, and 2.5% from Tier 2 renewable sources;

7 (12) in 2017, 13.1% from Tier 1 renewable sources, including at least  
8 0.55% derived from solar energy, and 2.5% from Tier 2 renewable sources;

9 (13) in 2018, 15.8% from Tier 1 renewable sources, including at least  
10 0.9% derived from solar energy, and 2.5% from Tier 2 renewable sources;

11 (14) in 2019, 17.4% from Tier 1 renewable sources, including at least  
12 1.2% derived from solar energy, and 0% from Tier 2 renewable sources;

13 (15) in 2020, 18% from Tier 1 renewable sources, including at least  
14 1.5% derived from solar energy, and 0% from Tier 2 renewable sources;

15 (16) in 2021, 18.7% from Tier 1 renewable sources, including at least  
16 1.85% derived from solar energy, and 0% from Tier 2 renewable sources; and

17 (17) in 2022 and later, 20% from Tier 1 renewable sources, including at  
18 least 2% derived from solar energy, and 0% from Tier 2 renewable sources.

19 (c) Before calculating the number of credits required to meet the percentages  
20 established under subsection (b) of this section, an electricity supplier shall exclude  
21 from its total retail electricity sales all retail electricity sales described in subsection  
22 (a)(2) of this section.

23 (d) **(1) EXCEPT AS PROVIDED IN PARAGRAPH (2)(II) OF THIS**  
24 **SUBSECTION, AT LEAST 65% OF THE RENEWABLE ENERGY PORTFOLIO**  
25 **STANDARD FOR SOLAR ENERGY IN ANY YEAR MUST BE FROM SMALL SOLAR**  
26 **ON-SITE GENERATORS.**

27 **(2) (I) TO MEET THE REQUIREMENT OF PARAGRAPH (1) OF**  
28 **THIS SUBSECTION, EACH YEAR AN ELECTRICITY SUPPLIER SHALL PURCHASE**  
29 **SOLAR RENEWABLE ENERGY CREDITS FROM SMALL SOLAR ON-SITE**  
30 **GENERATORS BEFORE THE ELECTRICITY SUPPLIER MAY PURCHASE SOLAR**  
31 **RENEWABLE ENERGY CREDITS THAT ARE PRODUCED FROM OTHER**  
32 **GENERATING FACILITIES.**

33 **(II) IF AN ELECTRICITY SUPPLIER PROVIDES WRITTEN**  
34 **DOCUMENTATION TO THE COMMISSION THAT THERE IS AN INSUFFICIENT**

1 SUPPLY OF SOLAR RENEWABLE ENERGY CREDITS FROM SMALL SOLAR ON-SITE  
2 GENERATORS AVAILABLE TO FULFILL THE REQUIREMENT OF PARAGRAPH (1)  
3 OF THIS SUBSECTION, AN ELECTRICITY SUPPLIER MAY USE SOLAR RENEWABLE  
4 ENERGY CREDITS PRODUCED FROM OTHER GENERATING FACILITIES TO  
5 FULFILL THE REMAINING AMOUNT REQUIRED TO BE FROM SMALL SOLAR  
6 ON-SITE GENERATORS.

7 (3) (I) AN ELECTRIC COMPANY SHALL PURCHASE THE  
8 ELECTRICITY GENERATED BY THE SMALL SOLAR ON-SITE GENERATOR IF:

9 1. THERE IS AN INTERCONNECTION AGREEMENT  
10 BETWEEN THE ELECTRIC COMPANY AND A SMALL SOLAR ON-SITE GENERATOR;  
11 AND

12 2. THE CUSTOMER OF THE SMALL SOLAR ON-SITE  
13 GENERATOR FAILS TO PURCHASE THE ELECTRICITY PRODUCED BY THE SMALL  
14 SOLAR ON-SITE GENERATOR.

15 (II) A SMALL SOLAR ON-SITE GENERATOR SHALL OWN AND  
16 HAVE TITLE TO ANY RENEWABLE ENERGY CREDIT THAT IS ASSOCIATED WITH  
17 ELECTRICITY SOLD TO AN ELECTRIC COMPANY UNDER SUBPARAGRAPH (I) OF  
18 THIS PARAGRAPH.

19 (E) Subject to subsections (a) and (c) of this section, an electricity supplier  
20 shall meet the renewable energy portfolio standard by accumulating the equivalent  
21 amount of renewable energy credits that equal the percentages required under this  
22 section.

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
24 October 1, 2012.